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Drug

OFFICE OF THE DD/I

DATE: 24 July 72

TO: ADDI

FROM: [REDACTED]

SUBJECT: Today's NYTimes story on narcotics...

REMARKS:

Attached is a copy of the NYTimes page 1 story today re narcotics, together with a copy of the document from which quotes are made in the story.

The document quoted is a 21 February 1972 CONFIDENTIAL report of a three-man task force which visited Southeast Asia to look into air and sea smuggling of narcotics.

[REDACTED] The task force was chaired by the State member, Fred Flott.

Much has occurred since the 21 February report in the way of taking or stimulating concrete actions against the weaknesses described in the report of February....

cc: DDP/[REDACTED] D/OCI, OLC, OGC

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Classified by: 62-001
Exempt from General Declassification
Schedule of E.O. 11652, Exemption
Category: 5B(1), (2), (3) or (4)
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DOJ Review Completed.

State Dept. review completed

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NEW YORK TIMES - Monday July 24, 1972

Report to U.S. Sees No Hope of Halting Asian Drug Traffic

By SEYMOUR M. HERSH

Special to The New York Times

WASHINGTON, July 23—A Cabinet-level report has concluded that, contrary to the Nixon Administration's public optimism, "there is no prospect" of stemming the smuggling of narcotics by air and sea in Southeast Asia "under any conditions that can realistically be projected."

"This is so," the report, dated Feb. 21, 1972, said, "because the governments in the region are unable and, in some cases, unwilling to do those things that would have to be done by them if a truly effective effort were to be made."

The report, prepared by officials of the Central Intelligence Agency, the State Department and the Defense Department, noted that "the most basic problem, and the one that unfortunately appears least likely of any early solution, is the corruption, collusion and indifference at some places in some governments, particularly Thailand and South Vietnam, that precludes more effective suppression of traffic by the

Continued on Page 11, Column 1

governments on whose territory it takes place.

The report sharply contradicts the official Administration position and Government intelligence sources say its conclusions are still valid today. In May, Secretary of State William P. Rogers told a Senate subcommittee that "we think all the countries are cooperating with us and we are quite satisfied with that cooperation."

Similarly, Nelson G. Gross, Senior Adviser to the Secretary of State and Coordinator for International Narcotics Matters, testified before Congress in June on the subject of narcotics smuggling that "the governments of Thailand, Laos and Vietnam have already joined us in the fight and, while we have a long way to go, we feel that during the past year some real progress has been achieved."

All officials concerned with the drug problem acknowledge that the United States agencies, under personal prodding from President Nixon, have begun an intensive effort to stem the international narcotics traffic. But critics contend that the effort is far less effective today than Administration officials say it is.

Critics' Charges Backed

Two leading critics of what they allege to be the Government's laxness in stopping the flow of narcotics are Representative Robert H. Steele, Republican of Connecticut, and Alfred W. McCoy, a 26-year-old Yale graduate student who has written a book on narcotics in Southeast Asia. The New York Times reported Saturday that Mr. McCoy's allegations concerning the C.I.A. and the drug traffic had been the subject of an intense and unusually public rebuttal by the agency.

The Cabinet-level report, made available to The Times, buttressed many of the charges made by the two critics, particularly about the pivotal importance of Thailand to the international drug smugglers. Thailand is also a major Air Force staging area for the United States.

In a report on the world heroin problem last year, Mr. Steele wrote that "from the American viewpoint, Thailand is as important to the control of the illegal international traffic in narcotics as Turkey. While all of the opium produced in Southeast Asia is not grown in Thailand, most of it is smuggled through that country."

Mr. Steele's report, filed with the House Committee on Foreign Affairs, noted that many American citizens had established residence in Bangkok, and had moved into the narcotics trade. The report added that the inability of the United States to have a few notorious smugglers deported had led some intelligence officials to conclude that the men were paying Thai officials for protection.

Mr. McCoy said in testimony before Congressional committees last month that hundreds of tons of Burmese opium passed through Thailand every year to international markets in Europe and the United States and that 80 to 90 per cent of the opium was carried by Chinese Nationalist paramilitary teams that were at one time paid by the C.I.A.

There are a number of opium refineries along the northern Thai border, he said, and much of the processed high-quality heroin is shipped by trawler to Hong Kong.

"Even though they are heavily involved in the narcotics traffic," Mr. McCoy testified, "these Nationalist Chinese irregular units are closely allied with the Thai Government." He said that Thai Government police units patrol the northern border area and collect an "import duty" of about \$2.50 a pound of raw opium entering Thailand. All this activity, he said, is monitored by United States intelligence agencies.

Thai-U.S. Agreements Cited

Mr. Gross, the State Department's adviser on international narcotics, said in his Congressional testimony that "during the past year the Thais have increased their efforts in the drug field with United States and United Nations assistance." He cited two agreements signed in late 1971, calling for more cooperation and more long range planning between Thai and United States officials to stamp out the trade.

"Based on all intelligence information available," Mr. Gross testified, "the leaders of the government are not en-

NEW YORK TIMES - Monday, 24 July 1972

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gaged in the opium or heroin traffic, nor are they extending protection to traffickers." He added that the top police official in Thailand had publicly stated that he would punish any corrupt official.

The cabinet-level report, submitted to the Cabinet Committee on International Narcotics Control, asked "highest priority" for suppression of the traffic by Thai trawlers, noting that each trawler "would represent something like 6 per cent of annual United States consumption of heroin."

The report said that the trawler traffic should have priority because "it is possible to attack the Thai trawler traffic without seeking the cooperation of Thai authorities and running the attendant risks of leaks, tip-offs and betrayals."

After such a seizure, the re-

port said, the United States Embassy in Bangkok could "repeat with still greater force and insistence the representations it has already often made to the Government of Thailand" for more effective efforts "to interdict traffic from the north of Thailand to Bangkok and also the loading of narcotics on ships in Thai harbors."

At another point in the report, a general complaint was voiced. "It should surely be possible to convey to the right Thai or Vietnamese officials the mood of the Congress and the Administration on the subject of drugs," the report said. "No real progress can be made on the problem of illicit traffic until and unless the local governments concerned make it a matter of highest priority."

Representatives Steele, Les-

ter L. Wolff, Democrat of Nassau County, and Morgan F. Murphy, Democrat of Illinois, have sponsored legislation that would cut off more than \$100-million in foreign aid to Thailand unless she took more action to halt the production and traffic of heroin. Their measure cleared the House Foreign Affairs Committee on June 21 and is included in the Foreign Assistance Act, now pending.

During a Congressional hearing into drug traffic last month, Representative Wolff disputed the Administration's contention that it was making "real progress" in stemming the narcotics flow and said, "we think the trade has got so much protection in high places in Thailand that the Administration is afraid they'll tell us to take our air bases out if we put too much pressure on them."



United Press International

Robert H. Steele charged the Government is lax in halting flow of drugs.



The New York Times

Nelson G. Gross asserted that there has been progress against smuggling.



DEPARTMENT OF STATE

Washington, D.C. 20520

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February 21, 1972

Report of the Cabinet Committee on
International Narcotics Control Task Force
on Air and Sea Smuggling

Background:

The Cabinet Committee on International Narcotics Control (CCINC) has directed that a comprehensive plan be developed for controlling narcotics smuggling by aircraft and fishing trawlers in Southeast Asia. This plan should reflect an interagency consensus, incorporate both Washington and Field inputs, and be region-wide in scope. The purpose of the plan is to interdict Southeast Asian drug trafficking networks supplying narcotics for illicit shipment within the region or to the United States. In support of this effort, a three-man interagency air and sea smuggling task force was dispatched January 19 to make a three-week study of the problem at CINCPAC, Thailand, Laos, Vietnam, Cambodia and Hong Kong and to submit recommendations for consideration by CCINC and its subcommittees.

Summary of Findings and Recommendations:

There is no prospect of suppressing air and sea traffic of narcotics in Southeast Asia under current conditions or under any conditions that can realistically be projected. This is so because the governments in the region are unable and, in some cases, unwilling, to do those things that would have to be done by them (and cannot be done by the United States) if a truly effective effort were to be made. In ^{the} specific matter of traffic by Thai trawlers, there are good prospects of substantial accomplishments. The matter of suppressing illicit traffic by air is much more difficult, mainly because of underlying conditions that we can neither change nor significantly influence.

Nevertheless, much worthwhile work can be done. While it is true that we cannot solve the most important underlying problems nor do those things that only the local governments can or should do, there are many improvements

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that must be made in the purely American part of the effort. There are basic problems of management and communication in the current American effort that must and can be corrected. There would appear to be a place for renewed and more persuasive diplomatic representations to the governments of the area, especially as the overall suppression program gets into high gear and as management and intelligence collection improve and produce worthwhile leads that can be passed on to host governments.

These are all things that the interested American participants can do regardless of the underlying problems and conditions in the region about which we can do little. If these perfectly feasible improvements in the American part of the overall effort are made, it will be possible to reduce considerably the current levels of illicit traffic and to satisfy the Administration's demand that everything be done that can be done to suppress this traffic.

Thai Trawlers:

For a number of reasons, the suppression of illicit traffic by Thai trawlers appears both feasible and highly rewarding; it should clearly command highest priority. Each Thai trawler going to Hong Kong could carry up to three tons of morphine base or opium. Admittedly, not all of this is refined into heroin or goes on to the United States. But if it did go on to the United States, in one form or another, a trawler load would represent something like 6% of annual U.S. consumption of heroin. The seizure of one trawler would be a real victory. The seizure of several would represent a substantial measure of interdiction and be of major importance to the U.S. Further, the traffic by trawler has long-term implications that intra-region smuggling by air does not have. Even if we withdrew completely from Indo-China, there would still be traffic between Bangkok and the Hong Kong refineries. And there would still be a substantial volume of legitimate commerce between Hong Kong and the U.S. that would provide a natural cover, in one way

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or another, for illicit traffic. Finally, it is possible to attack the Thai trawler traffic without seeking the cooperation of Thai authorities and running the attendant risks of leaks, tip-offs or betrayals.

BNDD Bangkok has informants who know much about the Thai trawler traffic and who can place beacons (electronic homing devices, also known as "beepers" or "bleepers") on trawlers engaged in illicit traffic. When these trawlers leave Thai waters and enter Vietnamese waters or waters reasonably close to South Vietnam, they can be identified with certainty by patrol aircraft or ships and intercepted and brought into Vietnamese ports by Vietnamese naval units. The Vietnamese Navy has already demonstrated that in circumstances of this sort, where there is no danger of treading on highly-placed Vietnamese toes, it can perform with skill, aggressivity and courage. And if for some reasons such as weather a suspect Thai trawler got past Vietnam, arrangements could perhaps be made to have it intercepted near Hong Kong.

The BNDD informants who can place beacons on Thai trawlers are no less than a major national asset of the United States. They are worthy of the highest quality of technical support, management and operational direction that the combined resources of all of the American agencies participating in the anti-narcotics struggle can provide. But there is much evidence that they are not yet getting this type of management, direction, secure handling and efficient exploitation. This is one example--perhaps the most important example--of a case where great improvements can be made in the American effort. These improvements can and must be made. Details of managerial deficiencies and suggestions for improvements in future handling will be provided to the appropriate subcommittees of the CCINC. If the BNDD informants are indeed as well-placed as they appear to be, and if our operational procedures are tightened up, it would appear to be realistic to look forward to the capture of several trawlers loaded with narcotics over the next few months.

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Other sea traffic:

Although we happen to have good informants working on Thai trawlers and good prospects of picking up some trawlers engaged in illicit traffic, we should not lose sight of the fact that larger ocean-going vessels can also carry narcotics from Thailand to Hong Kong and other markets, refining points or transit points. In fact, the most recent seizure in Southeast Asia was on February 5, 1972, in Hong Kong harbor, when local customs officers discovered some forty pounds of morphine in the ventilating shaft of a Hong Kong registered cargo ship, the m.v. Tai Chung Shan, recently arrived from Bangkok. Clearly a greater effort should be made to develop informant assets among the crews and other personnel having access to such vessels. And after a seizure of the sort just made in Hong Kong, it might well be possible for Embassy Bangkok to repeat with still greater force and insistence the representations it has already often made to the Government of Thailand, calling on that government to become more effective in its efforts to interdict traffic from the north of Thailand to Bangkok and also the loading of narcotics on ships in Thai harbors.

Air Traffic:

While this subject should not be allowed to go by default, it appears that the problems underlying a successful interdiction of illicit traffic by air are much less likely of solution in the foreseeable future than those related to the interception of suspect trawlers. For one thing, there is the sheer number of aircraft flights in the area, many of which are operating in a wartime environment. There is no effective control system, no effective inspection system, and no realistic prospects of getting either. There is also the fact that in many cases the illicit cargos that are moved by military or private aircraft, say from the north of Thailand to the Bangkok area, could just as easily be moved by commercial air or by train or bus or private automobile. Finally, there is the problem of customs controls: the civilian customs officials in most of Southeast Asia are only marginally effective at best, and in any case have no access to military aircraft or the military sides of mixed airfields.

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Some improvements can be made, of course, and these should prove to be at least marginally rewarding. Customs inspections at airports can be tightened up. And while there are some 17,000 landings and take-offs at Tan Son Nhut airport near Saigon each month, there are only eight or nine non-scheduled flights that land each day, and the establishment of tighter controls over these would appear to be a realistic objective. Again, the details will be supplied to the appropriate sub-committees on this and other matters relating to illicit air traffic.

Political:

✓ { The most basic problem, and the one that unfortunately appears least likely of any early solution, is the corruption, collusion and indifference at some places in some governments, particularly Thailand and South Vietnam, that precludes more effective suppression of traffic by the governments on whose territory it takes place. While our Embassies have made repeated and forceful representations and stimulated some cooperation, much more clearly remains to be done. It should surely be possible to convey to the right Thai or Vietnamese officials the mood of the Congress and the Administration on the subject of drugs. It should be possible to make them see that on October 29, 1971 they came perilously close to losing all military and economic aid from the United States, and that the widely accepted assumption of their corruption and their failure to perform more effectively in suppressing drugs traffic played an important part in determining the mood of the Senate, even if many other factors were also involved.

✓ { In any case, no real progress can be made on the problem of illicit traffic until and unless the local governments concerned make it a matter of highest priority and see in this struggle a real matter of life or death for their own countries.

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Surprisingly enough, the most effective anti-narcotics program in the areas seems to be in Laos. While a number of special conditions do favor the American effort there-- matters like highly effective customs procedures carried out by Air America employees, etc.--there is one aspect of the Laos success story that might be applicable to the problems faced in neighboring countries. That is the matter of getting an effective local official to take charge of the whole program and follow through on it.

Ambassador Godley first convinced Premier Souvanna Phouma of the great importance the United States Government attached to the anti-narcotics program, and made it clear that few things could hurt the cause of Laos more with the American Congress and people than anything less than a maximum effort against the illicit traffic. Souvanna was sufficiently impressed by the importance of the effort that he placed his intelligence chief, General Khamhou, in personal charge of the program. Khamhou, one of the most powerful men in Laos, had a clear charter from his chief and went to work with a real sense of personal dedication. He has been ably assisted by a Laotian Lt. Col. of police who was trained in the United States. He has been assisted by all appropriate parts of the U.S. Mission. The overall anti-narcotics effort in Laos appears to be making good progress; it is an example for other countries to follow.

Admittedly, in the considerably more complex governmental structures and interplay of political forces in Vietnam and Thailand, it is not easy to follow the Laotian example. There is no Thai or Vietnamese Khamhou. But the principle of choosing an effective local instrument and making certain that he gets full backing and support in his efforts to interdict illicit traffic, is no less valid as a goal and as an approach to the problem.

Frederick W. Flott
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Chairman, Task Force on Air and Sea Smuggling of the
Cabinet Committee on International Narcotics Control